

July 15, 2003

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Chief Administrative Officer

FEDERAL LEGISLATIVE UPDATE

Federal Fiscal Year (FFY) 2004 Homeland Security Appropriations Bill

Before this year, Congress provided annual funding for discretionary programs and activities through 13 annual appropriations bill. For Federal Fiscal Year (FFY) 2004, Congress added a 14th appropriations bill for the new Department of Homeland Security (DHS). The House passed its FFY 2004 Homeland Security appropriations bill (H.R. 2555) last month while the Senate Appropriations Committee approved its version last week. The Senate version will be considered on the Senate floor this week.

The House bill would provide a combined total of \$3.1 billion for state and local homeland security activities, which is \$600 million more than the Senate version. Below is a comparison of FFY 2004 state and local homeland security funding by program:

- **State Homeland Security Formula Grants:** The House bill includes \$1.9 billion for formula grants to states, which is \$150 million more than the Senate version and \$34 million more than in FFY 2003. Both bills require the funds to be allocated subject to Section 1014 of Public Law 107-56 (the "USA Patriot Act of 2001"), which provides that each state shall receive at least 0.75% of total funding and that each territory shall receive 0.25% of total funding. If DHS uses the methodology for computing this small state minimum requirement that it used in FFY 2003, California would continue to receive the least amount of funding per capita of any state. California would receive about 8% of total funding even though the State has over 12% of the total U.S. population. Both bills also require states to pass through 80% of their allotments to local governments.

- **State and Local Law Enforcement Terrorism Prevention:** The House bill includes \$500 million for this new formula grant, which would have the same statutory small state minimum and 80% state pass-through requirements that apply to the state homeland security formula grants. The House Appropriations Committee included report language clarifying that these funds may be used for preparedness, prevention, equipment, and training activities, but not for construction or overtime. The Senate version provides that \$500 million of its \$1.75 billion in state homeland security formula grant funding shall be used for state and local law enforcement terrorism prevention activities, which would include information sharing, "target hardening" to reduce the vulnerability of high value targets, threat recognition, terrorist intervention activities, equipment, and personnel costs. Senate Appropriations Committee report language also provides states with the option to allocate additional funding for these law enforcement activities.
- **Critical Infrastructure:** The House bill includes \$200 million for critical infrastructure grants to states, the same level as in FFY 2003, while the Senate bill does not include any funding. The House version requires these funds to be allocated pursuant to the small state minimum requirement in P.L. 107-56, and also requires states to pass through 80% of their critical infrastructure allotments to local governments, up from the 50% pass-through requirement in FFY 2003.
- **High-Threat Urban Area Grants:** The House bill includes \$500 million for high-threat urban area grants while the Senate bill includes \$750 million. In comparison, a total of \$800 million was appropriated for such grants in FFY 2003. Neither bill includes a small state minimum requirement for such funds, and each requires states to pass through at least 80% of grants to units of local government in high-threat urban areas.

Besides the above-mentioned homeland security grant funds, the House and Senate FFY 2004 Homeland Security appropriations bills, include the following funding of County interest:

- **Firefighting Grants:** Both bills would provide \$750 million for firefighting grants, up from \$745 million in FFY 2003.
- **Emergency Management Performance Grants (EMPG):** The House bill includes \$168 million for EMPG while the Senate bill includes \$165 million. In comparison, EMPG was funded at \$164 million in FFY 2003. The House Appropriations Committee included report language providing that state and local governments may use EMPG funds for personnel costs relating to emergency management.

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- **Pre-Disaster Mitigation Fund:** The House bill includes \$180 million for this fund while the Senate bill includes \$150 million. In comparison, its FFY 2003 funding level was \$149 million.

Attached is a chart comparing FFY 2003 with the proposed FFY 2004 funding levels, by program, in the House and Senate bills.

We will continue to keep you advised of any new developments.

DEJ:GK
MAL:MT:ib

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
All Department Heads
Legislative Strategist

**FUNDING LEVELS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS UNDER
PENDING FFY 2004 HOMELAND SECURITY APPROPRIATIONS LEGISLATION**
(in millions of dollars)

PROGRAM	ACTUAL 2003	HOUSE 2004	SENATE 2004
State Homeland Security Grants	\$1,866	\$1,900	\$1,750
State and Local Law Enforcement Terrorism Prevention	0	500	0 *
Critical Infrastructure	200	200	0
High-Threat Urban Area Grants	800	500	750
Firefighting Grants	745	750	750
Pre-Disaster Mitigation Fund	149	180	150
Emergency Management Performance Grants	164	168	165

* Senate version provides that \$500 million of State Homeland Security Grant funds be used for State and Local Law Enforcement Terrorism Prevention